

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 TRSE-00 OMB-01 XMB-02 FRB-03
CIEP-01 CEA-01 CIAE-00 INR-07 NSAE-00 SS-15 COME-00
AID-05 L-03 /059 W
-----251406Z 037194 /43

R 251335Z JAN 77
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 3435
INFO AMEMBASSY BELGRADE
AMEMBASSY BERLIN
USMISSION BERLIN UNN
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY LONDON
USMISSION NATO
AMEMBASSY OTTAWA
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY VIENNA
AMEMBASSY WARSAW

C O N F I D E N T I A L MOSCOW 1125

E.O. 11652: GDS
TAGS: EFIN, COMECON
SUBJECT: \$200 MILLION NORTH AMERICAN BANK LOAN TO IBEC FAILS

REFS: (A) MOSCOW 919, (B) MOSCOW 502, (C) 76 MOSCOW 18578

1. RELIABLE SOURCE ADVISES THAT INTERNATIONAL BANK FOR
ECONOMIC COOPERATION (IBEC) OFFICIALS, IN JANUARY 21 MEETING
WITH DELEGATION OF REPRESENTATIVES OF BANK OF AMERICA AND
TORONTO DOMINION, FORMALLY WITHDREW REQUEST FOR \$200 MILLION
BORROWING FROM SYNDICATE OF NORTH AMERICAN BANKS. WE ARE TOLD
THAT WORKING SESSION LASTED ABOUT FIVE MINUTES, DURING WHICH
TIME WESTERN BANKERS STOOD BY INSISTENCE THAT IBEC REGISTER
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AT SOME POINT WHERE IT COULD BE SUED. IBEC REPRESENTATIVES
MENTIONED POSSIBILITY OF ARBITRATION IN CONTINGENCY OF DEFAULT
BUT TERMINATED NEGOTIATIONS WHEN IT WAS POINTED OUT THAT THERE
MUT BE ROOM FOR JUDICIAL SETTLEMENT IF GOOD OFFICES, ETC., FAILED.
REMAINDER OF SESSION WAS DEVOTED TO SOCIAL AMENTIES AND
LUNCH BUT NO BUSINESS.

2. SOURCE SAID THAT WESTERN BANKERS HAD TO COME WITHOUT A LAWYER, WHOSE SOVIET VISA CURIOUSLY FAILED TO ARRIVE IN LONDON IN TIME FOR HIM TO JOIN DELEGATION.

3. SOURCE SAID THAT ANY FUTURE CONVERTIBLE CURRENCY BORROWINGS BY IBEC AND ITS SISTER BANK, INTERNATIONAL INVESTMENT BANK (IIB), WILL BE DIFFICULT. LOANS ALREADY EXTENDED MAY ALSO BE OPEN TO QUESTION.
TOON

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Control Number: n/a
Copy: SINGLE
Sent Date: 25-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MOSCOW01125
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: GS
Errors: N/A
Expiration:
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Format: TEL
From: MOSCOW
Handling Restrictions: n/a
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ISecure: 1
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Litigation History:
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Reference: 77 MOSCOW 919, 77 MOSCOW 502, 76 MOSCOW 18578
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